



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

BUREAU OF CONSUMER PROTECTION

Roland Naftule, Industry Rules Committee Chairman
American Gem Trade Association, Inc.
181 World Trade Center
2050 Stemmons Expressway
P.O. Box 581043
Dallas, Texas 75207

Dear Mr. Naftule:

Thank you for your recent letter in which you request a staff opinion letter as to the appropriate disclosures to be made when selling diffusion-treated sapphires.

It is my understanding that a diffusion-treated sapphire is produced by embedding a colorless or light-colored fashioned corundum in a powder containing iron oxide and titanium oxide. This is then heated until some of the atoms in the powder migrate into the corundum, causing the corundum to turn blue to a depth of half a millimeter or less.

The Commission's Guides for the Jewelry Industry, 16 C.F.R. Part 23, § 23.18 state that it is an unfair trade practice to sell, or offer to sell "any diamond or other natural precious or semi-precious stone which has been artificially colored or tinted by coating, irradiating, or heating, or by use of nuclear bombardment, or by any other means, without disclosure of the fact that such natural stone is colored, and disclosure that such artificial coloring or tinting is not permanent if such is the fact."

Consequently, the fact of treatment and the fact that under some circumstances, such as recutting, the treatment may not be permanent, must be disclosed. With this in mind, it appears that a disclosure that clearly states that the color is confined to a shallow surface layer would be appropriate. From your letter, I am assuming that complete information will be given on the invoice.

Please note, this is an informal staff opinion letter supplied in accordance with the Commission's Rules of Practice and Procedure (16 C.F.R. § 1.3). It has not been reviewed or approved by the Bureau of Consumer Protection, the Commission or by any individual Commissioner and is given without prejudice to the

right of the Commission later to rescind the advice.

In accordance with 16 C.F.R. § 1.4 of the Commission's Rules of Practice and Procedure, this response, along with your request for advice, will be placed on the public record.

Very truly yours,

Susanne S. Patch
Attorney
Division of Enforcement